



Finlays' supply chain

As part of the Ethical Trading Initiative's Corporate Transparency Framework reporting requirements Finlays is publishing more detailed information about its tea and coffee supply chain.

Description of Finlays' supply chain

Due to Finlays' position within the value chain as a supplier to brands and retailers, we are one step closer to the origin of the products we make.

Tea Sourcing: We source green leaf from our own tea farms and through farming cooperatives, and we source made tea from our own tea farms, private contracts with third-party suppliers and through auctions. 100% of the made tea we buy is traceable to the tea factory or tea garden where it was produced.

Coffee Sourcing: We source our green bean coffee through private contracts with farmers, farming cooperatives and others. 97% of the green bean coffee we buy is traceable to the processing mill and/or producer group where it was produced. We have built close relationships with many of our coffee suppliers, having worked with them for a number of years. We buy soluble coffee direct from third-party manufacturers. 75% of our soluble coffee is traceable back to the green coffee supplier or origin mill.

As a business-to-business company, Finlays has not published its list of tier 1 suppliers due to this information being commercially sensitive.

Up until now, our focus has been on understanding and assessing the key raw materials that go into our products i.e., tea and coffee. This is because they are both high risk commodities in terms of human rights and we purchase significant volumes globally and therefore have a significant impact. However, we recognise that there are human rights risks in our other supply chains and in 2024 we will widen the scope to begin mapping these out for Finlays' wider goods and services.

Assessing risk

Finlays has developed country level risk ratings which cover both inherent risks and sector specific risks in each sourcing country. These are reviewed and updated annually, using a number of sources including:

- Sedex radar tool
- Rainforest Alliance risk maps
- Modern Slavery Index
- International Trade Union Confederation (ITUC) global rights index
- Climate change: Notre Dame Global Adaptation Initiative, Global Climate Risk Index
- Publicly available Human Rights Impact Assessments
- Other relevant reports, publications, media

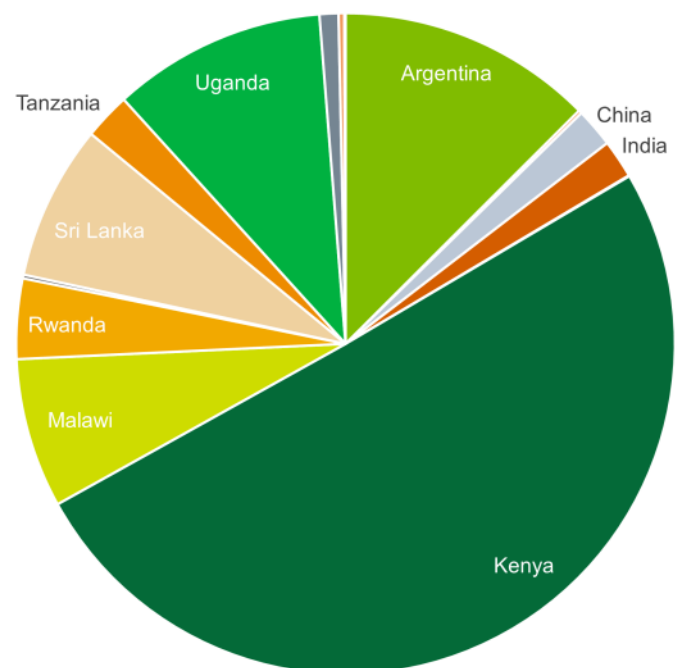
The country level risk is combined with further information about the supplier, such as whether they have third-party sustainability certifications and whether they have signed Finlays' Sustainable Sourcing Policy, to provide a risk rating per supplier.

In 2023, we developed and launched a more formalised approach to Supplier Relationship Management across the Finlays group. Through this, we have added due diligence related to human rights and compliance with our Sustainable Sourcing Policy, which will give a more detailed understanding of supplier specific risks. Through targeted supplier engagement we will be able to work with suppliers on key areas of risk.

In early 2024, we plan to undertake a human rights risk assessment across our operations and supply chain, to help prioritise our salient risks.

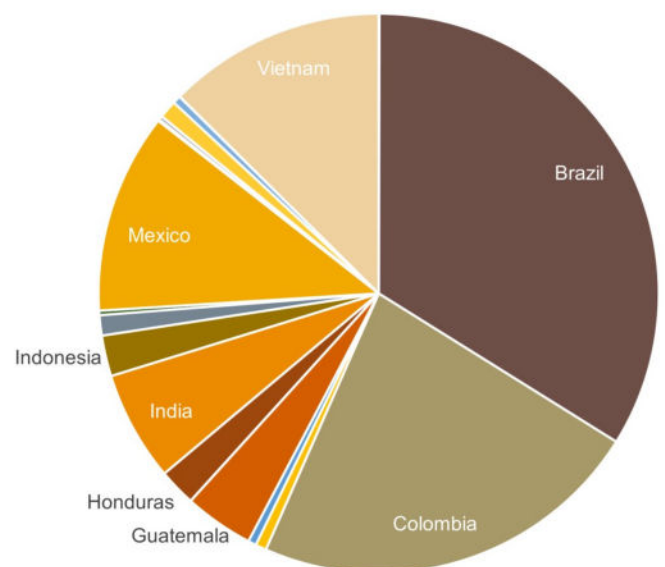
Finlays' tea supply chain

Origin Country	% volume bought in 2022	Number of factories	Country risk rating
Argentina	12.54%	32	Medium
Burundi	0.16%	6	High
China	1.91%	11	Medium-high
India	1.88%	103	High
Indonesia	0.04%	2	Medium-high
Kenya	50.43%	127	High
Malawi	7.34%	20	High
Rwanda	3.92%	16	Medium-high
South Africa	0.18%	1	Medium
Sri Lanka	7.59%	572	Medium-high
Tanzania	2.31%	12	High
Uganda	10.49%	34	High
Vietnam	0.93%	10	Medium-high
Zimbabwe	0.28%	2	High
Total	100%	943	



Finlays' coffee supply chain

Origin Country	% volume bought in 2022*	Number of mills**	Country risk rating
Bolivia	0.04%	1	Medium
Brazil	33.85%	18	High
Colombia	22.71%	18	High
Costa Rica	0.63%	3	Medium-high
Ethiopia	0.47%	2	High
Guatemala	4.01%	3	High
Hawaii	0.01%	1	Medium
Honduras	2.15%	6	High
India	6.36%	16	High
Indonesia	2.36%	1	High
Kenya	1.17%	3	High
Laos	0.26%	1	High
Mexico	11.57%	3	Medium
Nicaragua	0.08%	1	Medium-high
Papua New Guinea	0.24%	1	Medium-high
Peru	1.04%	8	Medium
Tanzania	0.46%	1	High
Uganda	0.02%	1	High
Vietnam	12.57%	11	Medium-high
Total	100%	99	



* includes both green bean and soluble coffee

** where traceable to mill

Freedom of association

Finlays respects the rights of both employees and workers in our supply chain to access and exercise their right to freedom of association and collective bargaining.

Within Finlays' businesses, all workers are able to establish and join organisations of their choosing, without authorisation, interference or discrimination. Collective bargaining is supported and recognised as a mechanism for reaching agreements on how relations between Finlays' businesses and workers can be governed. During 2023 there were five trade unions active at Finlays' businesses, in the UK, Kenya and Sri Lanka, through which Finlays engages in regular and constructive dialogue.

Ensuring trade union rights are respected and maintained in our supply chain is more challenging. We require that suppliers agree to and sign Finlays' Sustainable Sourcing Policy which includes clauses on worker's rights to freedom of association and collective bargaining. From Q4 2023, we have improved due diligence of our suppliers on workers' rights regarding freedom of association, so that we can understand if and where this is being prevented. Once we have more information about this, we can identify any actions that may be needed to strengthen the abilities of workers in our supply chain to access trade unions and collective bargaining.

Human rights due diligence (HRDD)

In the second half of 2023, Finlays undertook an HRDD gap analysis exercise which included a documentation review and interviews with senior leaders. This has helped the business to understand our current management capacity, reflect on our existing activities and identify gaps in our approach to human rights. This found that there are numerous indicators of ad-hoc human rights activities at Finlays, but that it is not yet systematised. Finlays' approach to managing human rights was considered developing, or at 'emerging' level. Finlays is undertaking internal engagement on the findings and recommendations, and developing an action plan to be delivered in 2024.

